



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0603	Title:	Increase maximum daytime speed limit on certain interstate highways
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Primary Sponsor:	Wittich, Art	Status:	As Introduced
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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$203,431	\$0	\$0
Federal Special Revenue	\$0	\$110,832	\$0	\$0
Revenue:				
General Fund	\$0	(\$23,628)	(\$23,628)	(\$23,628)
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>(\$23,628)</u>	<u>(\$23,628)</u>	<u>(\$23,628)</u>

Description of fiscal impact: HB 603 submits to the electorate an increase to the daytime speed limit on federal-aid interstate highways from 75 MPH to 85 MPH. Implementation of the bill will require Montana Department of Transportation (MDT) to collect and analyze safety data or recalibrate existing safety data and update engineering plans for proper placement of curve warning signs and replace existing speed zone signs. There would be some effect on state and county fine revenues and additional cost for counties to place the referendum on the ballot.

FISCAL ANALYSIS

Assumptions:

Secretary of State (SOS)

- HB 603 submits an increase in the daytime speed limit on federal-aid highways to the electorate on the November 2016 ballot.
- The total costs for ballots, printing, programming and other associated costs are estimated to be \$505,254. The total costs of \$505,254 divided by the average number of contests per ballot (18 contests) = \$28,069.

3. In 2014, the cost to counties for programming and printing legislative referenda was approximately \$56,139 (2 times \$28,069)

Department of Transportation (MDT)

4. If approved by the electorate, the change is effective January 1, 2017.
5. MDT has approximately 500 interstate speed limit signs regulating passenger vehicles.
6. It is assumed the MDT will be able to make and install all 500 speed limit signs during FY 2017.
7. The average cost of purchasing the signs and labor and equipment to install the 500 passenger vehicle interstate speed limit signs is approximately \$382.23 per sign. The total cost for the 500 interstate speed limit signs will be approximately \$191,117.
8. MDT Maintenance assumes that the current posts used for the current signs will be reused for the new signs.
9. This is the maximum fiscal impact for the replacement of all existing speed limit signs required in HB 603. There may be other impacts based on engineering and traffic investigations and curve speed studies.
10. MDT's construction engineering staff will collect and recalibrate safety data for the Butte and Missoula districts for highway curve warning sign placement and make changes to current curve sign locations for projects already designed and constructed.
11. Engineering staff working on the highway construction projects in the Great Falls, Glendive, and Billings districts can recalibrate highway project data and incorporate that data into construction engineering plans to ensure curve warning signs are placed in the proper location initially.
12. The construction program will incur \$67,227 for engineering personal services in FY 2017. Operating costs for the construction program are \$55,918 in FY 2017.
13. Highway design manuals will require updating to address the change in speed.
14. Existing advance warning signs, including speed zone ahead, steep grade signs, etc. would need to be adjusted to the new advance warning distance for the posted speed. This impact is difficult to quantify.

Department of Justice (DOJ)

15. The 3 year average amount of citations issued by the Montana Highway Patrol between 2012 and 2014 is 15,752 citations for speeds between 80 and 85 MPH.
16. DOJ assumes that there will be a 50% reduction in \$20 citations issued for speeds between 80 and 85 MPH.
17. The department assumes that 30% of all citations written result in revenue to the general fund. Of that revenue, 50% remains in the county where the citation was issued and 50% is allocated to the general fund.
18. The resulting reduction in general fund revenue is \$23,628 per year.

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services (MDT)	\$0	\$146,682	\$0	\$0
Operating Expenses (MDT)	\$0	\$167,581	\$0	\$0
TOTAL Expenditures	\$0	\$314,263	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$203,431	\$0	\$0
Federal Special Revenue (03)	\$0	\$110,832	\$0	\$0
TOTAL Funding of Exp.	\$0	\$314,263	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	(\$23,628)	(\$23,628)	(\$23,628)
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	(\$23,628)	(\$23,628)	(\$23,628)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	(\$23,628)	(\$23,628)	(\$23,628)
State Special Revenue (02)	\$0	(\$203,431)	\$0	\$0
Federal Special Revenue (03)	\$0	(\$110,832)	\$0	\$0

Effect on County or Other Local Revenues or Expenditures:

- Counties will incur the cost of placing the referendum on the ballot of \$28,069.

Technical Notes:

- Speed studies of curves may have to be conducted as posted curve speed limit warnings may need to be changed.
- If the initiative were to pass in November 2016, the Department of Transportation would not have sufficient time to have all signs changed and engineering work completed prior to the effective date of January 1, 2017. This work would need to continue to be done throughout FY 2017.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date